

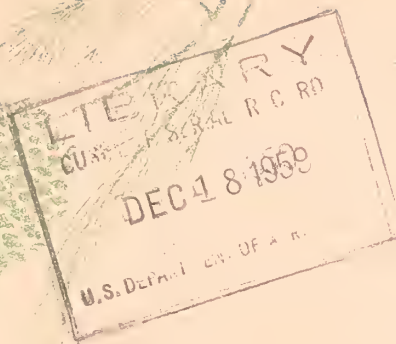
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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
NOVEMBER 1959

Volume 4

Number 4

Released Pursuant to \$1000.27 (j) and
\$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd.
Chattanooga 11, Tennessee

J. B. McCroskey, Market Administrator

Merry Christmas

MARKET SUMMARY NOVEMBER 1959

The Chattanooga Order Minimum uniform producer price is \$5.08 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 4.0 percent.

During November 85.1% of the total producer milk was priced in Class I at \$5.36 per cwt. with a butterfat differential of 8.1 cents and 14.9% was priced in Class II at \$3.67 per cwt. with a butterfat differential of 7.4 cents. The percent of producer skim and butterfat priced in Class I was 85.8% and 70.1% respectively.

The daily average delivery of producer milk during November decreased 1.0% compared with October and increased 4.7% compared with November 1958. The daily average use of Class I milk decreased 6.6% compared with October and increased 1.7% compared with November 1958.

During November handlers received a daily average of 411,180 pounds of producer milk from 717 producers as compared with 392,877 pounds of producer milk from 768 producers during November 1958. Milk delivered from farm bulk tank producers during Nov. was 320,402 pounds daily or 77.9% of total producer milk as compared with Nov. 1958 bulk milk which was 195,951 pounds daily or 49.9% of total producer deliveries.

ACTIVITIES OF CHECK TESTERS-NOVEMBER 1959; Plant Scales checked 3, Plant calls 82, Samples tested - Composite 1,063, Fresh 5,817, Finished Products 234.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958		1959										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Can	449	433	427	413	400	390	362	343	311	264	246	218	203
Tank	319	331	334	342	349	353	380	395	418	478	486	503	514
TOTAL	768	764	761	755	749	743	742	738	729	742	732	721	717
New	2	3	4	0	2	2	1	0	0	20	5	4	2
Quit	11	7	7	6	8	8	2	4	9	7	15	15	6

MILK BASE -- 1960

New bases will be announced during February 1960. Milk Bases are built during September thru January. These bases are used for calculating payment for milk deliveries during March thru July. A base may not be transferred unless written notice is received by the Market Administrator.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Nov. '59</u>	<u>Oct. '59</u>	<u>Nov. '58</u>
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	90,778	98,736	196,926
Producer Milk - Bulk Tank	320,402	316,397	195,951
Total Producer Milk Pounds	411,180	415,133	392,877
% November '59 compared with:	100.0	99.0	104.7
Other Source Milk Pounds	10,112	13,922	10,616
Other Order Milk Pounds	8,795	7,073	22,343
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>430,087</u>	<u>436,128</u>	<u>425,836</u>
% November '59 compared with:	100.0	98.6	101.0
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	288,957	308,321	273,799
Buttermilk	37,188	40,765	36,633
Chocolate Milk	7,197	8,245	7,073
Fluid Skim	10,104	8,932	6,624
Fluid Creams	2,246	2,197	2,060
Bulk to Non-Handlers	13,402	14,804	30,202
Class I Shrinkage	2,520	4,544	863
Inventory Reclassification	(234)	(974)	(1,839)
Overstated Sales	(13)	-	(5)
Total Class I Milk	361,367	386,834	355,410
% November '59 compared with:	100.0	93.4	101.7
Class II Milk Pounds (Used to Produce)			
Butter	6,625	2,216	4,417
Cottage Cheese	12,358	13,225	9,352
Powdered and Condensed Milk	17,196	10,515	20,269
Ice Cream	13,393	17,634	18,046
Inventory Variation	7,962	(6,258)	7,978
Other	11,186	11,962	10,364
Total Class II Milk	68,720	49,294	70,426
% November '59 compared with:	100.0	139.4	97.6
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>430,087</u>	<u>436,128</u>	<u>425,836</u>
% Producer Milk of Gross Class I	113.8	107.3	110.5
% Producer Skim of Gross Class I Skim	112.9	106.6	109.7
% Producer Butterfat of Gross Class I Butterfat	138.3	126.1	133.0
% Producer Milk Priced in Class I	85.1	90.1	83.7

DECEMBER 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Dec. '59</u>	<u>Nov. '59</u>	<u>Dec. '58</u>
Basic Formula (See page 4)	\$3.67	\$3.59	\$3.42
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.06	0.02	0.00
Class I Price, 4.0% Butterfat	\$5.48	\$5.36	\$5.17

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: October and November
Supply: Lbs. Producer Milk (Oct. 12,869,117 and Nov. 12,335,399) 25,204,516
Demand: Lbs. Net Class I Milk (Oct. 11,913,941 and Nov. 10,752,669) 22,666,610
Utilization Percentage: Producer milk divided by Class I 111
Standard Utilization Percentage: Range 114-118 114
Net Deviation Percentage: Utilization minus Standard Utilization minus 3
Supply-Demand Adjustment: 2 cents x 3 percentage points plus \$0.06

Since the supply in relation to the demand is less than the desired standard, the price is increased 6 cents per hundredweight (2 cents x 3 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR NOVEMBER 1959

Based on 19 Plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,841,008	3.672		
Less Other Source		337,974	3.562		
Producer Milk Class I	85.1	10,503,034	3.675862	\$5.097448	\$535,386.70
Gross Class II		2,061,597	8.071		
Less Other Source		229,232	0.836		
Producer Milk Class II	14.9	1,832,365	8.975777	7.352075	134,716.85
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,335,399	4.463139		670,103.55
Add Fractional Adjustment					.01
Add Compensatory Payment Value		102,344		0.28	286.56
Add Overage Value					41.35
Add Inventory Reclassification Value					19.63
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,848.18
TOTAL VALUE AT TEST		12,335,399	4.463139		676,299.28
Less Test Over 4% @ 7.8¢ per point		12,335,399	.463139	0.361248	44,561.38
TOTAL VALUE AT 4.0%		12,335,399	4.0	5.121341	631,737.90
Less Producer-Settlement Fund Reserve		12,335,399		.041341	5,099.58
UNIFORM PRICE f.o.b. POOL PLANT		12,335,399	4.0	\$5.08	\$ 626,638.32

NOVEMBER 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
 BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$4.30	3.6%	\$4.768	4.2%	\$5.236	4.8%	\$5.704	5.4%	\$6.172
3.05	4.339	3.65	4.807	4.25	5.275	4.85	5.743	5.45	6.211
3.1	4.378	3.7	4.846	4.3	5.314	4.9	5.782	5.5	6.25
3.15	4.417	3.75	4.885	4.35	5.353	4.95	5.821	5.55	6.289
3.2	4.456	3.8	4.924	4.4	5.392	5.0	5.86	5.6	6.328
3.25	4.495	3.85	4.963	4.45	5.431	5.05	5.899	5.65	6.367
3.3	4.534	3.9	5.002	4.5	5.47	5.1	5.938	5.7	6.406
3.35	4.573	3.95	5.041	4.55	5.509	5.15	5.977	5.75	6.445
3.4	4.612	4.0	5.08	4.6	5.548	5.2	6.016	5.8	6.484
3.45	4.651	4.05	5.119	4.65	5.587	5.25	6.055	5.85	6.523
3.5	4.69	4.1	5.158	4.7	5.626	5.3	6.094	5.9	6.562
3.55	4.729	4.15	5.197	4.75	5.665	5.35	6.133	5.95	6.601

COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I SALES (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I SALES		
	1957	1958	1959	1957	1958	1959
Jan.	377,848	386,527	388,175	322,389	333,724	362,232
Feb.	384,266	363,475	378,577**	324,782	337,832	341,167
Mar.	399,102	376,313	399,902	317,192	329,719	332,496
Apr.	436,136*	431,190*	443,890*	313,445	315,814	341,167
May	429,661	429,256	433,519	304,537	311,391	329,182
June	392,424	382,696	404,243	285,439**	288,811**	320,140**
July	373,547	359,507**	390,592	297,226	299,494	331,754
Aug.	355,094**	383,592	410,849	323,309	323,673	341,613
Sept.	376,370	392,411	438,618	335,146	374,368*	393,471*
Oct.	395,314	395,523	415,133	322,887	370,590	386,834
Nov.	389,501	392,877	411,180	361,772*	355,409	361,367
Dec.	386,242	389,617		319,015	337,125	

* High Month of Year

** Low Month of Year

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '58	\$4.88	-	-	7.4¢	\$5.23	7.6¢	\$3.35	6.7¢
Dec.	4.80	-	-	7.2	5.17	7.5	3.46	6.9
Jan. '59	4.88	-	-	7.4	5.21	7.8	3.33	6.6
Feb.	4.79	-	-	7.2	5.18	7.5	3.21	6.6
Mar.	4.67 ^{2/}	\$4.82	\$3.11	7.2	5.21	7.5	3.15	6.6
Apr.	4.49 ^{2/}	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sept.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	-	-	-	-	5.48	8.3	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
Nov. '58	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sept.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of	Farm --	Pounds		Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.Prod.	Prod.	Base	Exc.	Test %	
Nov. '58	355,410	328,935	392,877	-	425,836	20	768	512	-	-	4.43
Dec.	337,125	310,803	389,617	-	424,678	20	764	510	-	-	4.51
Jan. '59	362,232	334,538	388,175	-	423,612	20	761	510	-	-	4.46
Feb.	341,167	310,878	378,577	-	416,038	20	755	501	-	-	4.32
Mar.	332,496	301,741	399,902	365,270	434,768	20	749	534	488	46	4.27
Apr.	341,167	310,039	443,890	376,828	480,157	19	743	597	507	90	4.15
May	329,182	299,433	433,519	370,297	469,576	19	742	584	499	85	4.12
June	320,140	290,413	404,243	354,261	440,588	19	738	548	480	68	4.11
July	331,754	301,821	390,592	343,625	427,296	19	729	536	471	65	4.10
Aug.	341,613	311,370	410,849	-	447,253	19	742	554	-	-	4.07
Sept.	393,471	362,826	438,618	-	475,495	19	732	599	-	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	721	576	-	-	4.30
Nov.	361,367	350,101	411,180	-	430,087	19	717	573	-	-	4.46

^{1/} Excludes Premium^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base